



USAID
FROM THE AMERICAN PEOPLE

PHILIPPINES

PROGRAM OVERVIEW

SEPTEMBER 2006



OUR USAID/PHILIPPINES TEAM



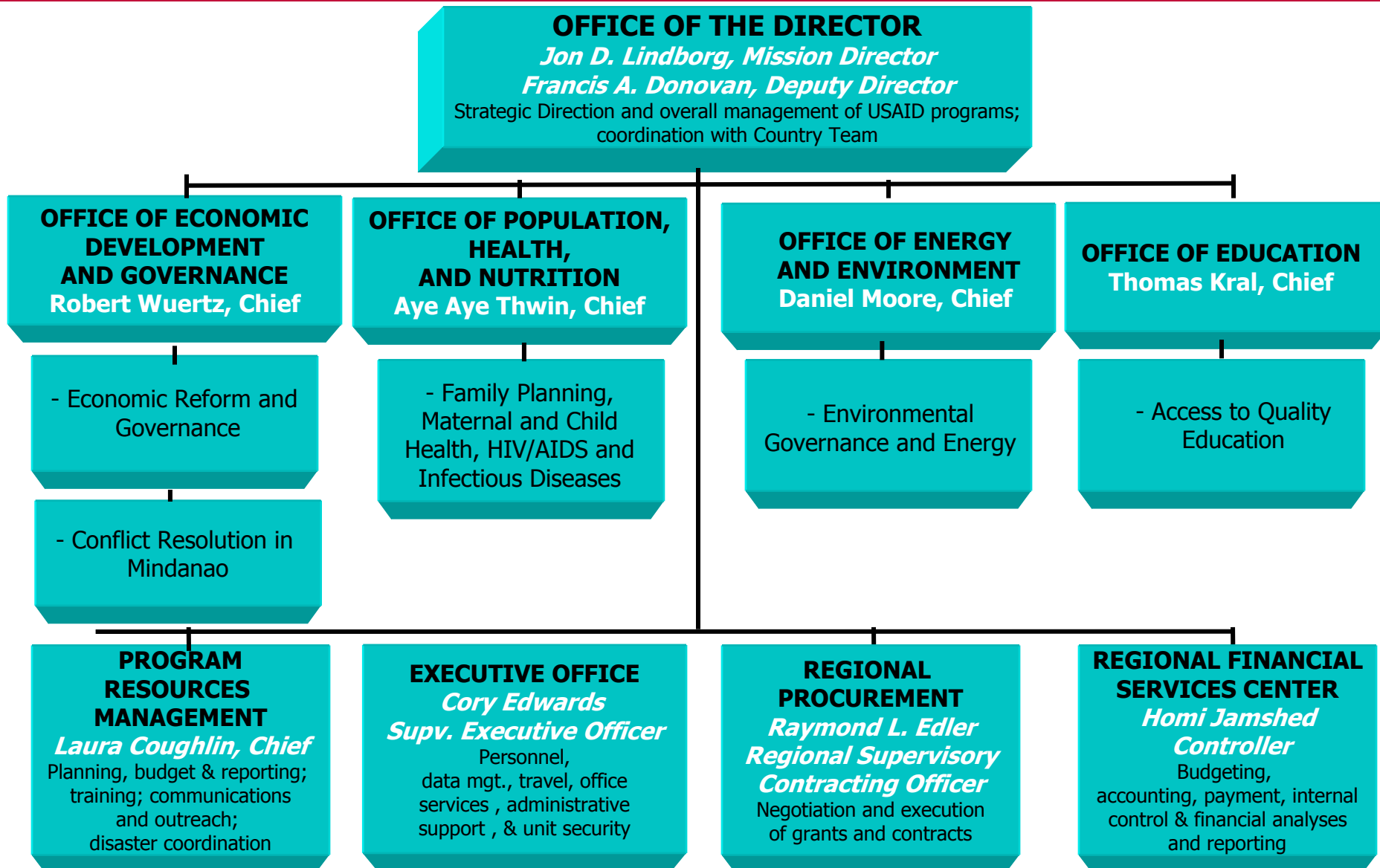
127 staff

- 105 Foreign Service Nationals
- 15 U.S. Foreign Service Officers
- 7 U.S. Personal Service Contractors

Responsible for

- Bilateral assistance program; \$900 million-plus portfolio
- Regional support: Mongolia, Pakistan, Tokyo

USAID/PHILIPPINES ORGANIZATIONAL CHART



KEY OPERATING PRINCIPLES

- One Embassy Manila Team; working groups
- Partnerships/networks with GRP, private sector, civil society, other donors
- Strategic focus and RESULTS
- Flexibility & responsiveness
- Accountability & value for U.S. taxpayer

COUNTRY CONTEXT - OPPORTUNITIES



- Human resources & English language
- Legacy educational institutions
- Vibrant democracy & civil society
- Central location in dynamic region
- Positive relationship with Muslim community
- Rich natural resource endowments

ECONOMIC DRIVERS

- Services, manufacturing & agriculture
- Remittances - \$10 billion in 2005
- Consumption
- Growing sectors:
 - electronics (70% of exports)
 - business process outsourcing
 - real estate
 - tourism



BUT LAGGING DEVELOPMENT

Change in Per Capita Income

	1975	2004	Change
Korea	\$ 630	\$ 13,980	2119%
Indonesia	\$ 230	\$ 1,140	396%
Singapore	\$ 2,760	\$ 24,220	778%
China	\$ 200	\$ 1,290	545%
Thailand	\$ 390	\$ 2,540	551%
Malaysia	\$ 910	\$ 4,650	411%
Philippines	\$ 380	\$ 1,170	208%

- + *Growing population*
 - + *Declining education system*
 - + *Poor investment climate*
 - + *Fiscal deficit*
 - + *Lagging competitiveness*
 - + *Weak rule of law*
 - + *Corruption*
 - + *Political instability*
 - + *Conflict & security issues*
- = PERSISTENT POVERTY**

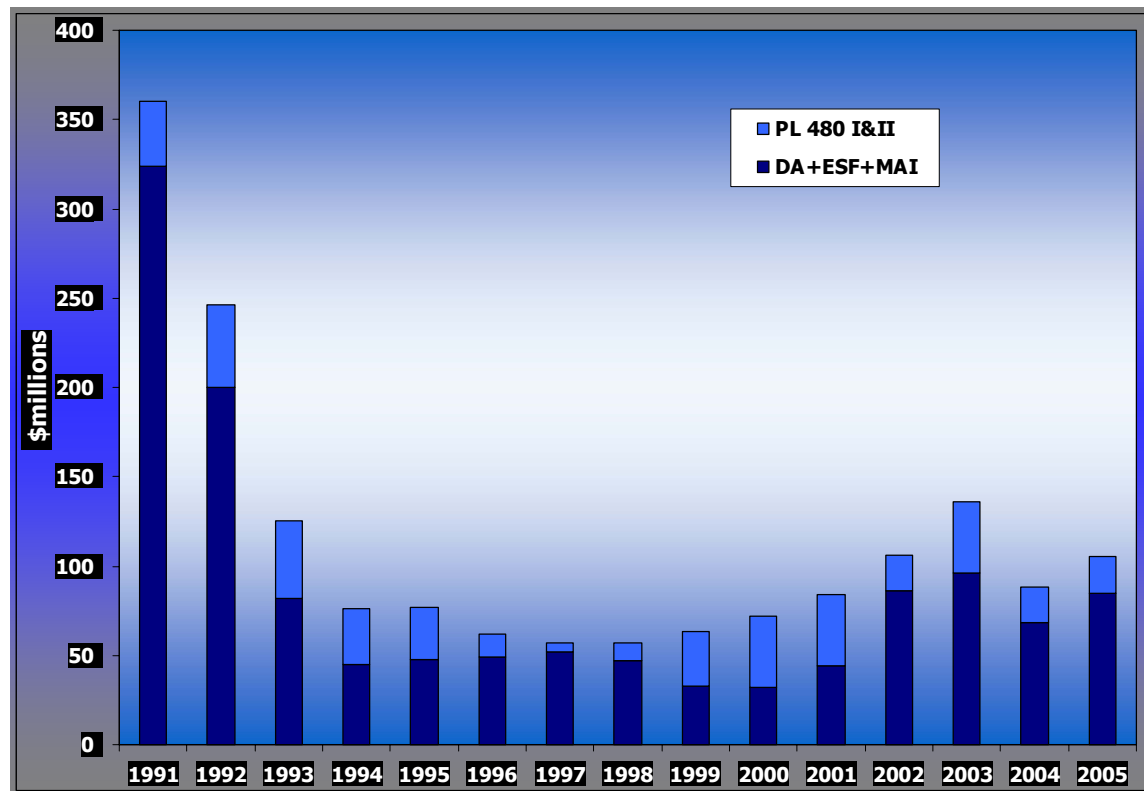
GNI per Capita, Current US\$, 2005 World Development Indicators, World Bank

46% of population living on \$2/day or less

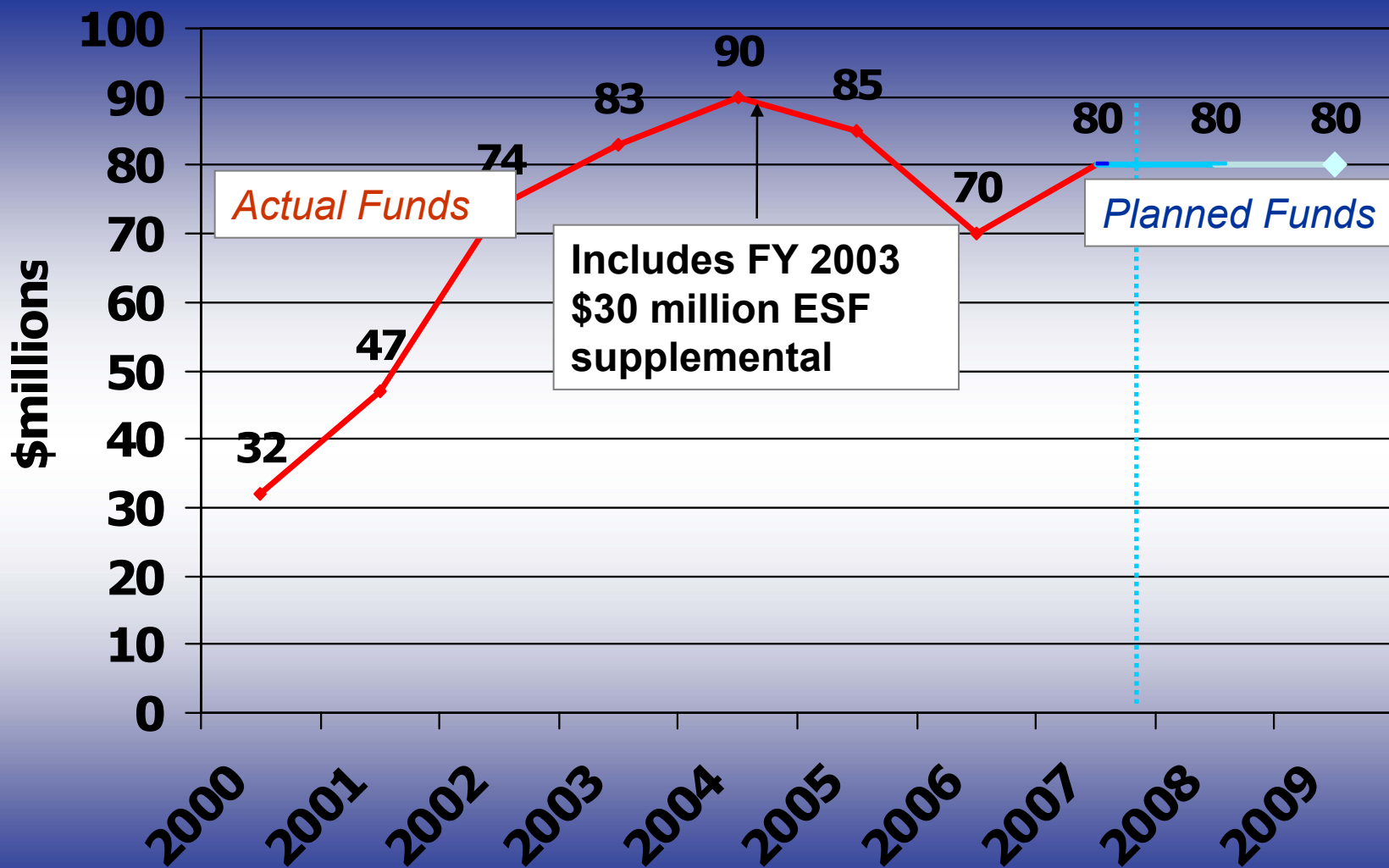


USG ASSISTANCE LEVELS

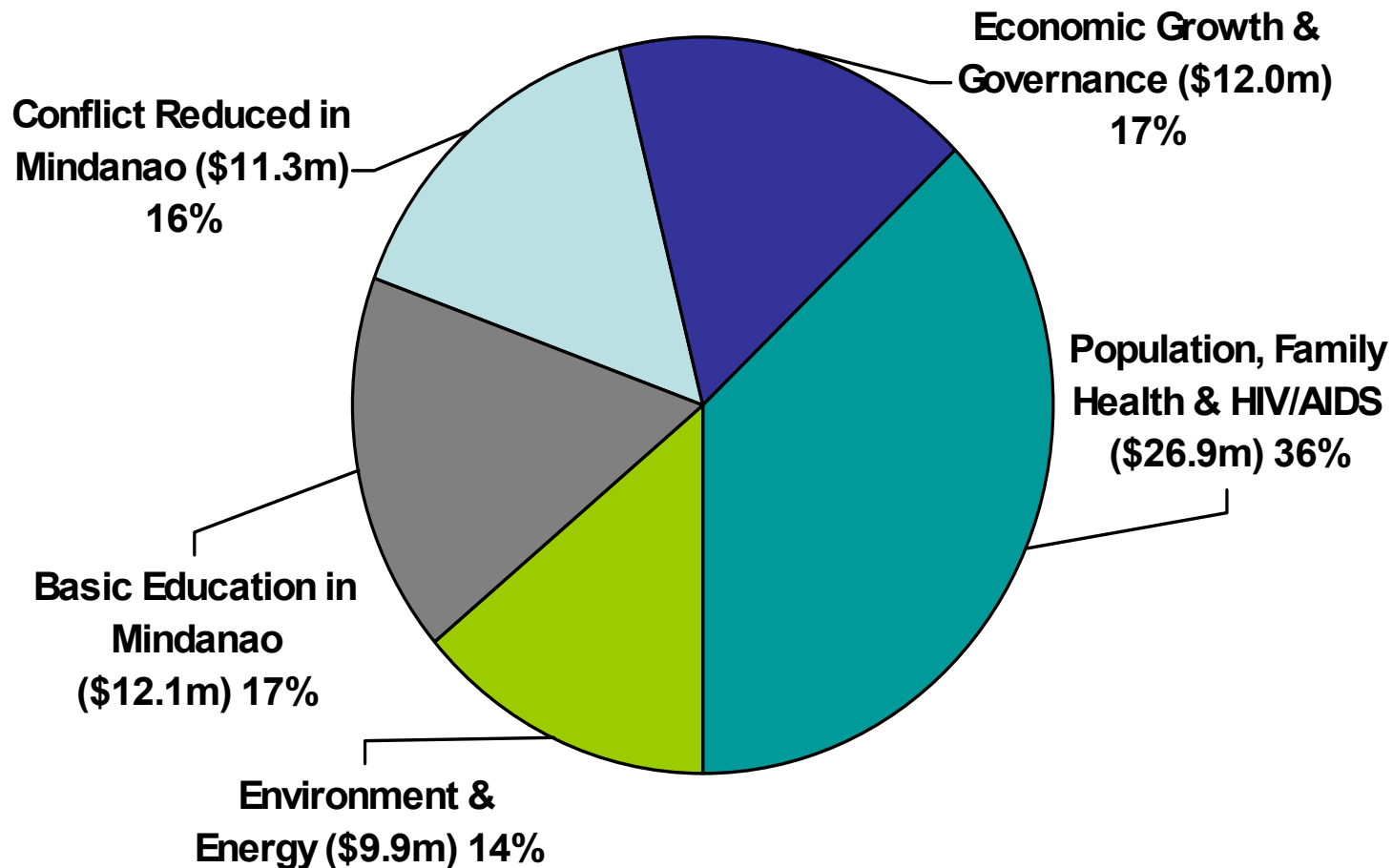
- Assistance history (est. \$5 billion since WWII) tracks bilateral relationship
- U.S. largest grant donor to Philippines
- Other major donors include Japan, Asian Development Bank, World Bank, China, Germany and Australia



USAID FUNDING: FYs 2000-2009



FUNDING FOR FY 2006



* Total Assistance to Mindanao: \$42 million (approximately 60% of total FY 2006 Budget of \$72 million)

Strategic Objective Programs

- Economic Development & Governance
- Conflict Prevention
- Health, Nutrition & Family Planning
- Environment & Energy
- Basic Education



MINDANAO & SULU ARCHIPELAGO FOCUS



- 60% of annual funding
- \$250 million over past 5 years



Why Mindanao?



- Vast natural resources & economic potential
- But...
 - 7 of country's 10 poorest provinces
 - Low quality of social services
 - Lack of key infrastructure
 - Weak institutions of governance
 - Long-running conflicts
- Transnational crime & terrorism
- Security & peace as GRP priority



CONFLICT PREVENTION

■ Program Areas

- Focused on conflict-affected regions of Mindanao
- Promoting economic development & improved governance

■ Results

- 28,000 ex-combatants re-integrated under “Arms to Farms”
- Sustainable microfinance services to over 300,000 clients
- 600 community/mid-scale infrastructure projects
- Computer/internet education introduced into 350 schools
- 400% increase in non-traditional agricultural exports
- Village-level alternative dispute resolution in over 740 villages



ECONOMIC DEVELOPMENT AND GOVERNANCE

■ Program Areas

- Economic policy reform; trade & investment policy implementation
- Judicial reform
- Anti-corruption
- Electoral reform
- Trafficking in Persons



■ Results

- Passage of Optical Media Law for IPR protection
- Increasing tax revenues; improved fiscal management
- Increased conviction rate for corrupt officials from 13% to 30%; incidence of bribery reported by business declining
- Supreme Court Reform program; automation of case management for anti-corruption court.

FAMILY HEALTH

■ Program Areas

- Health service delivery at local level; maternal & child health care
- Private sector participation in health services
- Family planning; HIV/AIDS; TB & other infectious diseases
- New focus on Avian Influenza



■ Results

- Population growth rate decline (2.05% in 2005; 2.36% in 2000)
- Married women using modern FP (36% in 2005; 32% in 2000)
- Infant mortality rate (29/1,000 live births in 2003; from 35 in 1998)
- Continuing low level HIV/AIDS for high-risk groups (0.03% in 2005)
- TB detection rate (73% in 2004; 48% in 2000)

NATURAL RESOURCES MANAGEMENT

■ Program Areas



- Restructuring & regulation of competitive electricity sector
- Alternative fuels & clean air
- Rural electrification – solar/hydro
- Coastal & forest management
- Water supply & sanitation

■ Results

- Substantial reform of electricity sector & ongoing privatization
- 6,850 households in Mindanao now have access to electricity
- Improved management of >116,000 hectares of coastal & forest areas
- Establishment of Philippines Tropical Forest Conservation Foundation
- Innovative partnership with Japan to mobilize water project financing

BASIC EDUCATION

■ Program Areas

- Focused on Muslim Mindanao (Western Mindanao, Central Mindanao, ARMM);
- Increased access to quality educational opportunities for in-school (primarily grades 1-3) and out-of-school youth (OSY)
- Improved instructional capacity in reading, English, math and science



■ Results

- 210 schools with Parent-Teacher Committees financing education improvements, benefiting over 162,000 students
- 18,303 OSY enrolled in Alternative Learning Systems Accreditation and Equivalency program for education certificates
- 246 schools physically improved (provided desks/armchairs and minor school building repairs)
- 20,434 teachers trained in science, math, and English through educational TV

MILLENNIUM CHALLENGE ACCOUNT

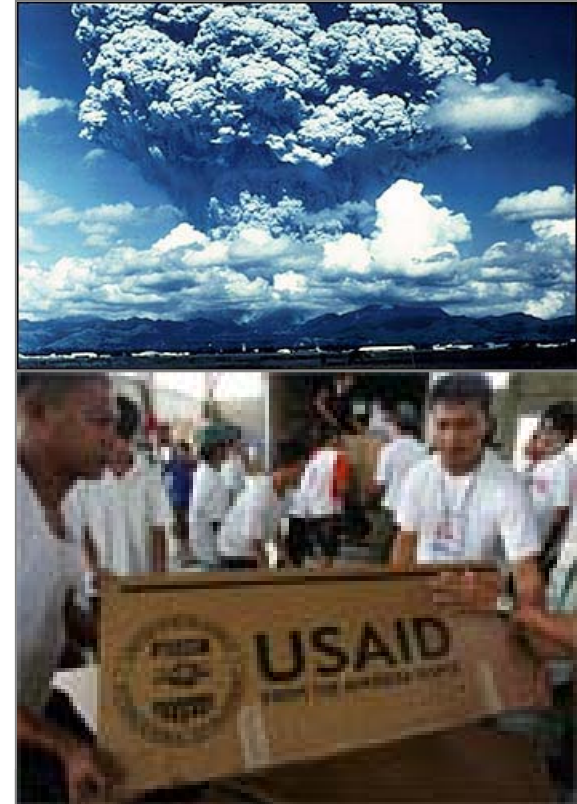
- Threshold Country Program signed July '06
- Focused on:
 - Anti-corruption
 - Improved tax/customs administration
- USAID implements program with GRP



**Millennium Challenge
Corporation (MCC)**

NATURAL DISASTER AND HUMANITARIAN RESPONSE

- Highly prone to natural disasters
- Disaster preparedness and mitigation
- Role of USAID Office of Foreign Disaster Assistance (OFDA)
- Close cooperation with:
 - Philippines Red Cross
 - NGO Partners
 - U.S. Military



PRIORITIES FOR 2006

- Foreign assistance reform effort
- MCC
- Program designs/launches: expansion of education program; new health program mechanisms
- Electoral reform initiative
- Avian influenza surveillance & preparedness



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Salamat po!

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us at <http://philippines.usaid.gov>